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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

September 19, 2014

CERTIFIED RETURN RECEIPT  
7013 2250 0000 2310 3887

Todd Wilhite  
Wall & Rock, Inc.  
3651 North 100 East, Suite 300  
Provo, Utah 84064

Subject: Review of Reclamation Surety, Wall and Rock, Inc., Gulch Mine, S/023/0087, Juab County, Utah

Dear Mr. Wilhite:

The last reclamation cost estimate for the Gulch mine was done in 2010 and escalated to 2013 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs and an increase in the size of the disturbed area since the site was originally permitted.

Based on average reclamation costs, the surety amount needs to be increased from \$11,700.00 to \$19,400.00 for a three year escalation or \$20,100.00 for a five year escalation. The average reclamation costs are outlined below:

<b>Small Mine Operation Bond Calculation Worksheet S/023/0087</b>			
<b>3-year escalation (2017)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	2	\$5,000.00	\$10,000.00
Mob/demob 51-100 miles	1	\$1,400.00	\$1,400.00
<b>TOTAL</b>			<b>\$19,400.00</b>
<b>5-year escalation (2019)</b>			
<b>Item</b>	<b>Qty</b>	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance	1	\$8,300.00	\$8,300.00
Add'l Acres Disturbance	2	\$5,200.00	\$10,400.00
Mob/demob 51-100 miles	1	\$1,400.00	\$1,400.00
<b>TOTAL</b>			<b>\$20,100.00</b>



Todd Wilhite  
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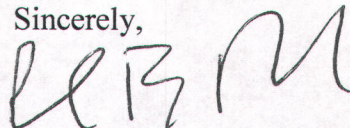
Please contact the minerals program bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional surety. The current surety is in the form of certificate of deposit. You may increase the amount in the certificate of deposit, or you may submit a surety bond, a letter of credit, cash, or a new certificate of deposit for either the increased or the full amount. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector, Wayne Western, at 801 538-5263. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

Please provide the additional surety or perform the reclamation no later than November 3, 2014.

Thank you for your help in keeping the surety current. Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions concerning this letter.

Sincerely,



Paul B. Baker  
Mining Program Manager

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